CITY OF TRENTON

FINANCIAL STATEMENTS

AS AT DECEMBER 31, 1986

CITY OF TRENTON
INDEX - 1986

CITY OF TRENTON

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WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Council
Inhabitants and Ratepayers
of the Corporation of the
City of Trenton

We have examined the consolidated balance sheet of the Corporation of the City of Trenton as at December 31, 1986, and the consolidated statement of operations for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these consolidated financial statements present fairly the financial position of the Corporation of the City of Trenton as at December 31, 1986, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Ontario
April 3, 1987

CITY OF TRENTON

CONSOLIDATED BALANCE SHEET

AS AT DECEMBER 31, 1986

ASSETS

	1986 $	1985 $
UNRESTRICTED		
Cash	388,002	131,672
Taxes receivable	470,458	489,840
Accounts receivable	555,384	557,151
Other current assets	208,912	77,357
Long-term assets	9,861	9,861
	1,632,617	1,265,881
RESTRICTED		
Cash	227,586	256,320
Other current assets	4,809	2,617
	232,395	258,937
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS - Note 1(b)	1,215,841	1,300,792
	3,080,853	2,825,610

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	683,503	771,685
NET LONG-TERM LIABILITIES - Note 6	1,215,841	1,300,792
FUND BALANCES AT THE END OF THE YEAR		
To be used to offset taxation or user charges in 1987 - Note 7	591,934	416,605
Capital operations not yet permanently financed - Note 7	(17,256)	(208,356)
Reserves - Note 8	261,089	322,651
Reserve funds - Note 8	345,742	222,233
	3,080,853	2,825,610

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 BUDGET $	1986 ACTUAL $	1985 ACTUAL $
SOURCES OF FINANCING:			
TAXATION AND USER CHARGES			
Residential and farm taxation	5,032,311	5,089,163	4,681,833
Commercial, industrial and business taxation	4,557,185	4,642,863	4,142,180
Taxation from other Governments	302,647	322,237	303,698
User charges	1,945,903	2,102,298	1,903,581
GRANTS			
Government of Canada	19,534	15,000	18,057
Province of Ontario	3,254,678	2,803,559	3,031,885
OTHER			
Penalty and interest on taxes	75,000	77,198	76,260
Investment income	69,915	123,552	89,878
Sale of land	51,000	292,188	225,427
Fines	56,500	55,855	49,585
Other	60,625	60,047	101,948
Deduct: amounts received or receivable for school boards - Note 2	(5,051,308)	(5,125,817)	(4,549,581)
Proceeds from the issue of long-term liabilities	-	-	973,474
NET APPROPRIATIONS FROM RESERVES AND RESERVE FUNDS	-	-	202,987
MUNICIPAL FUND BALANCES AT THE BEGINNING OF THE YEAR			
To be used to offset taxation or user charges	416,605	416,605	315,080
Capital operations not yet financed	(208,356)	(208,356)	(1,184,725)
TOTAL FINANCING AVAILABLE DURING THE YEAR	10,582,239	10,666,392	10,381,567

	1986 BUDGET $	1986 ACTUAL $	1985 ACTUAL $
APPLIED TO:			
CURRENT OPERATIONS			
General Government	744,710	728,982	693,370
Protection to persons and proper y	2,709,314	2,698,623	2,463,181
Transportation services	1,708,509	1,619,682	1,647,872
Environmental services	1,669,453	1,592,851	1,524,263
Health services	91,765	101,865	79,392
Social and family services	394,542	443,169	354,931
Recreation and cultural services	1,380,006	1,343,603	1,332,086
Planning and development	276,254	259,553	271,939
	8,974,553	8,788,328	8,367,034
CAPITAL			
General Government	13,500	19,091	27,102
Protection to persons and property	92,442	77,793	367,275
Transportation services	1,168,756	564,859	1,006,745
Environmental services	202,800	198,699	56,257
Social and family services	109,983	110,843	53,162
Recreation and cultural services	58,743	42,881	261,184
Planning and development	13,900	227,273	34,559
	1,660,124	1,241,439	1,806,284
NET APPROPRIATIONS TO RESERVES AND RESERVE FUNDS	76,100	61,947	-
MUNICIPAL FUND BALANCES AT THE END OF THE YEAR - Note 7			
To be used to offset taxation or user charges	47,074	591,934	416,605
Capital operations not yet financed	(175,612)	(17,256)	(208,356)
TOTAL APPLICATIONS DURING THE YEAR	10,582,239	10,666,392	10,381,567

The accompanying notes form an integral part of these financial statements

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The consolidated financial statements of the Corporation of the City of Trenton are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) (i) Basis of Consolidation

These consolidated statements reflect the assets, liabilities, sources of financing and expenditures of the revenue fund, capital fund, reserve funds and reserves and include the activities of all committees of Council and the following boards and municipal enterprises which are under the control of Council:

Local Boards:
Trenton Memorial Public Library
Trenton Downtown Business Improvement Area Board of Management

Municipal Enterprise:
Trenton Parking Authority

All interfund assets and liabilities and sources of financing and expenditures have been eliminated with the exception of loans or advances between reserve funds and any other fund of the Municipality and the resulting interest income and expenditures.

(ii) Non-Consolidated Entities

The following utilities are not consolidated:

Trenton Public Utilities Commission - Waterworks
Trenton Public Utilities Commission - Electric Department

(iii) Accounting for School Board Transactions

The taxation, other revenues, expenditures, assets and liabilities with respect to the operations of the school boards are not reflected in the municipal fund balances of these financial statements. Overlevies (underlevies) are reported on the consolidated Balance Sheet as "other current liabilities" ("other current assets").

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES (Cont'd)

(a) Basis of Consolidation (Cont'd)

(iv) Trust Funds

Trust funds and their related operations administered by the municipality are not consolidated, but are reported separately on the "Trust Funds Statement of Continuity and Balance Sheet".

(b) Basis of Accounting

(i) Basis of Accounting

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal and interest charges on long-term liabilities which are charged against operations in the periods in which they are paid.

(ii) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(iii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Consolidated Statement of Operations in the year of acquisition.

(iv) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years", which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Consolidated Balance Sheet".

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

2. OPERATIONS OF SCHOOL BOARDS

Further to note 1(a)(iii), the taxation, other revenues, expenditures and overlevies (underlevies) of the school boards are comprised of the following:

	1986 $	1985 $
Taxation	5,125,817	4,549,581
Requisitions	5,129,141	4,552,103
Overlevies (underlevies) for the year	(3,324)	(2,522)
Overlevies (underlevies) at the beginning of the year	(2,670)	(148)
Overlevies (underlevies) at the end of the year	(5,994)	(2,670)

3. TRUST FUNDS

Trust funds administered by the municipality amounting to $71,572 (1985 - $111,110) have not been included in the "Consolidated Balance Sheet" nor have their operations been included in the "Consolidated Statement of Operations".

4. LIABILITY FOR PAST SERVICE PROVISION OF PENSION AGREEMENTS

Under the past service provision of pension agreements, the municipality is obligated at December 31, 1986, for an amount of approximately $131,322 (1985 - $147,897) as established for the plans. No provision has been made for this liability. The balance of this liability will be funded over six years in blended instalments of principal and interest of $28,407 per year. An amount of $28,407 (1985 - $28,407) has been provided for in the current year and is reported on the "Consolidated Statement of Operations".

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

5. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the City's employment.

Certain employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits related to these employees are being paid out over a period of years to 1989.

The liability for these accumulated days, to the extent that they have been vested and will be taken in cash by employees, amounted to $254,138 (1985 - $301,214) at the end of the year.

Certain employees continue under the former sick leave plan. The liability for these accumulated days, to the extent that they have vested and could be taken by these employees on terminating, amounted to $391,593 (1985 - $398,327) at the end of the year.

An amount of $288,418 (1985 - $218,829) has been provided for this past service liability.

6. NET LONG-TERM LIABILITIES

	1986 $	1985 $
(a) The balance of the net long-term liabilities reported on the "Consolidated Balance Sheet" is made up of the following:		
Total long-term liabilities incurred by the municipality including those incurred on behalf of school boards, municipal enterprises, and individuals and outstanding at the end of the year amounted to:	1,871,706	1,975,717
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by school boards. At the end of the year, the outstanding principal amount of this liability is:	(12,045)	(17,295)
Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges has been assumed by unconsolidated municipal enterprises. At the end of the year, the outstanding principal amount of this liability is:	(502,000)	(532,000)

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

6. NET LONG-TERM LIABILITIES (Cont'd)

Of the long-term liabilities shown above, the responsibility for payment of principal and interest charges for shoreline property assistance loans has been assumed by individuals. At the end of the year, the outstanding principal amount of this liability is:	(9,244)	(9,710)
The total value of sinking funds and the balance in the Ministry of the Environment Debt Retirement Fund which have been accumulated to the end of the year to retire the outstanding long-term liabilities included above amount to:	(132,576)	(115,920)
Net long-term liabilities at end of year	1,215,841	1,300,792

(b) Of the net long-term liabilities reported in (a) of this note, $557,854 in principal payments are payable from 1987 to 1991, $624,509 from 1992 to 1996, and $33,478 thereafter and are summarized as follows:

	1987 to 1991 $	1992 to 1996 $	1997 and thereafter $
From general municipal revenue	471,036	529,214	33,478
From benefitting landowners	20,000	6,458	-
From consolidated municipal enterprises	66,818	88,837	-
	557,854	624,509	33,478

(c) Approval of the Ontario Municipal Board has been obtained for the long-term liabilities in (a) issued in the name of the Municipality.

(d) The Municipality is contingently liable for long-term liabilities with respect to shoreline property assistance loans and for those for which the responsibility for the payment of principal and interest has been assumed by school boards and unconsolidated municipal enterprises. The total amount outstanding as at December 31, 1986, is $523,289 (1985 - $559,005) and is not recorded on the "Consolidated Balance Sheet".

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

7. MUNICIPAL FUND BALANCES AT THE END OF THE YEAR

(a) The balances on the "Consolidated Statement of Operations" of municipal equity of $574,678 (1985 - $208,249) at the end of the year are comprised of the following:

	1986 $	1985 $
For general reduction of taxation	566,359	403,550
For general reduction of user charges - Parking Authority	17,409	13,079
For benefitting taxpayers related to special areas - D.B.I.A.	8,166	(24)
	591,934	416,605
Acquisition of fixed assets to be financed from the proceeds of long-term liabilities	-	(208,356)
Acquisition of fixed assets to be financed from user charges during the term of council	(17,256)	-
	(17,256)	(208,356)
	574,678	208,249

(b) Approval of the Ontario Municipal Board has been obtained for those commitments to be financed from revenues beyond the term of Council.

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

8. RESERVES AND RESERVE FUNDS

The total balances of reserves and reserve funds of $606,831 (1985 - $544,884) are made up of the following:

	1986 $	1985 $
RESERVES		
Set aside for specific purpose by council		
Working funds	255,131	255,131
Insurance	5,858	6,965
Quinte Street construction	-	60,000
Bain Park	100	100
Plaque	-	455
TOTAL RESERVES	261,089	322,651
RESERVE FUNDS		
Set aside for specific purpose by council		
Swing bridge repairs	120,497	17,997
Community Gardens	23,213	21,530
Fire Department equipment	74,973	69,531
Library	81,878	72,874
Dufferin Street Centre - repairs	19,286	17,886
Bicentennial celebration	-	1,033
	319,847	200,851
Set aside by legislation		
Subdivision parklands	21,086	18,765
O.W.R.C. Reserve for Contingencies	4,809	2,617
	25,895	21,382
TOTAL RESERVE FUNDS	345,742	222,233
TOTAL RESERVES AND RESERVE FUNDS	606,831	544,884

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

9. CHARGES FOR NET LONG-TERM LIABILITIES

Total charges for the year for net long-term liabilities which are reported on the "Consolidated Statement of Operations" are as follows:

	1986 $	1985 $
Principal payments including contributions to sinking funds and to the Ministry of the Environment Debt Retirement Fund	84,951	101,677
Interest	137,805	28,853
	222,756	130,530

The charges for long-term liabilities assumed by the non-consolidated entities or by individuals in the case of shoreline property assistance loans are not reflected in these statements.

10. NON-ACCRUAL OF INTEREST ON LONG-TERM LIABILITIES

No provision has been made in these financial statements for the accrual of interest on the net long-term liabilities. Had this provision been made the municipal fund balances as at December 31, 1986, would have been decreased by $32,000 (1985 - $34,000).

11. COMMITMENTS

On February 16, 1983, the City entered into an agreement with Quinte Sanitation Services Limited for the collection and disposal of garbage. The agreement expires on September 30, 1988. The price of the contract is to be adjusted as of January 1st of each year to reflect changes in population and the consumer price index. The annual rate of the agreement for 1986 was $14.23 per capita (1985 - $13.64 per capita).

CITY OF TRENTON

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

12. CONTRACTUAL OBLIGATION - MINISTRY OF THE ENVIRONMENT

In accordance with a service agreement entered into by the Municipality in 1978 with the Ministry of Environment, the existing sewage systems are owned and operated by the Ministry. The Municipality is obligated to meet all operating costs and repay the long-term liabilities related to these projects.

Included in the "Consolidated Statement of Operations" are the 1986 charges from the Ministry for sewage of $1,052,203. The "Consolidated Balance Sheet" does not reflect any assets or liabilities pertaining to the sewage or water systems except to the extent of service charges due to (or from) the Ministry.

Information received from the Ministry as at March 31, 1986, indicates the following:

	Accumulated Surplus (deficit) $	1986 debt charges $	Total outstanding long-term liabilities $
Sewage system	(533,071)	443,578	4,232,712

The operating deficits and long-term liabilities indicated above are not reflected in the accompanying financial statements.

CITY OF TRENTON
REVENUE FUND
ANALYSIS OF OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 ACTUAL $	1985 ACTUAL $
REVENUE		
Taxation and user charges		
Residential and farm taxation	5,089,163	4,681,833
Commercial, industrial and business taxation	4,642,863	4,142,180
Taxation from other Governments	322,237	303,698
User charges	2,102,298	1,903,581
Grants		
Government of Canada	14,500	18,057
Province of Ontario	2,499,317	2,477,111
Other		
Penalty and interest on taxes	77,198	76,260
Investment income	105,637	70,143
Sale of land	292,188	225,427
Fines	55,855	49,585
Other	44,303	62,351
Deduct: amounts received or receivable on behalf of school boards - Note 2	(5,125,817)	(4,549,581)
NET MUNICIPAL REVENUE	10,119,742	9,460,645
EXPENDITURES		
General Government	728,982	693,370
Protection to persons and property	2,698,623	2,463,181
Transportation services	1,619,682	1,647,872
Environmental services	1,592,851	1,524,263
Health services	101,865	79,392
Social and family services	443,169	354,931
Recreation and cultural services	1,343,603	1,332,086
Planning and development	259,553	271,939
	8,788,328	8,367,034
NET APPROPRIATIONS (TO) FROM OTHER FUNDS		
Reserves	61,562	175,212
Reserve funds	(101,915)	68,095
Capital operations	(1,115,732)	(1,235,393)
	(1,156,085)	(992,086)
SURPLUS (DEFICIT) FOR THE YEAR	175,329	101,525
SURPLUS AT THE BEGINNING OF THE YEAR	416,605	315,080
SURPLUS AT THE END OF THE YEAR - Note 7	591,934	416,605

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

CAPITAL FUND

ANALYSIS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 ACTUAL $	1985 ACTUAL $
SOURCES OF FUNDS		
Long-term liabilities incurred	-	973,474
Government of Canada Grants	500	-
Province of Ontario Grants	304,242	554,774
Investment income	-	22
Other	12,065	28,636
Contributions (to) from other funds		
Current operations	1,115,732	1,235,393
Reserve funds	-	(9,646)
	1,432,539	2,782,653
EXPENDITURES		
General government	19,091	27,102
Protection to persons and property	77,793	367,275
Transportation services	564,859	1,006,745
Environmental services	198,699	56,257
Social and family services	110,843	53,162
Recreation and cultural services	42,881	261,184
Planning and development	227,273	34,559
	1,241,439	1,806,284
CAPITAL OPERATIONS NOT YET FINANCED AT THE BEGINNING OF THE YEAR - (Net)	208,356	1,184,725
CAPITAL OPERATIONS NOT YET FINANCED AT THE END OF THE YEAR - Note 7	17,256	208,356

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

RESERVES AND RESERVE FUNDS

ANALYSIS OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 ACTUAL $	1985 ACTUAL $
RESERVES		
Balance at the beginning of the year	322,651	497,863
Net contributions from (to) current operations	(61,562)	(175,212)
Balance at the end of the year - Note 8	261,089	322,651
RESERVE FUNDS		
Balance at the beginning of the year	222,233	250,008
REVENUE		
Interest earned	17,915	19,713
Contributions from current operations	102,949	1,905
Contributions from capital operations	-	17,164
Contributions from others	3,679	10,961
	124,543	49,743
EXPENDITURES		
Contributions to current operations	1,034	70,000
Contributions to capital operations	-	7,518
	1,034	77,518
Balance at the end of the year - Note 8	345,742	222,233

The accompanying notes form an integral part of these financial statements

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Members of Council, Inhabitants
and Ratepayers of the Corporation of the
City of Trenton

We have examined the balance sheet of City of Trenton - Ontario Home Renewal Program Trust Fund as at December 31, 1986, and the statement of Continuity of the Trust Fund for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Ontario Home Renewal Program Trust Fund for the Corporation of the City of Trenton as at December 31, 1986, and the continuity of trust funds for the year then ended in accordance with accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Ontario
April 3, 1987

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS

	1986 $	1985 $
Cash	11,542	21,358
Long-term receivables	71,572	111,110
	83,114	132,468

LIABILITIES

Due to Province of Ontario	11,542	21,358
Trust Fund Balance - Note 3	71,572	111,110
	83,114	132,468

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

STATEMENT OF CONTINUITY

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
TRUST BALANCE - Beginning of the year - Note 3	111,110	146,743
SOURCES OF FUNDS:		
Interest earned	5,741	7,568
APPLIED TO:		
Funds remitted to Province of Ontario	27,202	25,721
Loans forgiven	18,077	17,480
	45,279	43,201
TRUST BALANCE - End of the year	71,572	111,110

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

ONTARIO HOME RENEWAL PROGRAM
TRUST FUND

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCCUNTING POLICIES

(a) Basis of Accounting

The cash basis of accounting is used.

(b) O.H.R.P. Loans

The forgiveness of loans is recorded when it is earned.

2. O.H.R.P. LOANS

	1986 $
Repayable loans	69,322
Forgiveable loans	2,250
	71,572

3. Effective January 1, 1985, amendments to regulations required that the Ontario Home Renewal Program funds be accounted for as a trust fund and no longer as a reserve fund. This transfer of the fund balance resulted in an opening balance of $146,743.

4. The Ontario Home Renewal Program Trust Fund was authorized pursuant to By-Law 84-498 of the Corporation of the City of Trenton wherein the City of Trenton will establish and maintain a trust fund on behalf of the Ontario government for the repayment of the Ontario Home Renewal Program Loans.

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Memorial Public Library Board

We have examined the balance sheet of the Trenton Memorial Public Library Board as at December 31, 1986, and the statements of operations and Continuity of Reserves and Reserve Funds for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Library Board as at December 31, 1986, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Canada
February 4, 1987

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS

	1986 $	1985 $
UNRESTRICTED		
Cash	19,405	16,496
Accounts receivable	497	549
	19,902	17,045
RESTRICTED		
Cash	81,878	72,874
	101,780	89,919

LIABILITIES

CURRENT LIABILITIES		
Accounts payable and accrued liabilities	14,976	20,176
RESERVES AND RESERVE FUNDS - PER STATEMENT C-3	81,878	72,874
FUND BALANCES AT THE END OF THE YEAR TO BE USED TO OFFSET (OR TO BE RECOVERED FROM) REVENUE IN 1987	4,926	(3,131)
	101,780	89,919

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 Budget $	1986 Actual $	1985 Actual $
REVENUE			
Municipal contribution	291,707	291,707	249,707
Province of Ontario Per Capita Grant	35,950	36,396	34,501
Federal Grant - Indicia Project	-	8,427	-
Automation Grant	1,532	1,532	32,459
Other Grants	-	5,629	2,223
Other - Fines and fees	5,500	9,962	11,401
- Xerox and miscellaneous	6,000	7,262	5,365
- Donation	-	100	100
- Audio-visual insurance	-	208	-
TOTAL REVENUE	340,689	361,223	335,756
EXPENDITURE			
Salaries and benefits			
Salaries and wages	203,300	202,906	188,582
Fringe benefits	24,295	24,307	19,547
Provision for sick leave liability	2,300	4,097	3,300
Travel: Conference	550	593	834
Professional development	2,000	2,336	2,183
	232,445	234,239	214,446
Materials, supplies and utilities			
Books, periodicals and other materials	59,323	58,735	54,084
Utilities	9,755	9,963	9,080
Other supplies and expenses	11,150	11,716	11,008
	80,228	80,414	74,172
Services and rents			
Rents - equipment	3,900	4,213	3,907
Other			
Repairs and maintenance	4,000	3,140	4,347
Miscellaneous	6,285	7,174	7,198
Insurance	4,700	3,992	4,546
	18,885	18,519	19,998
Total operating expenditure	351,558	333,172	308,616
Capital expenditures	2,500	2,683	6,226
Indicia Project	-	8,400	-
Telidon service	3,500	3,028	4,498
Childhood Education Project	-	5,734	-
	337,558	353,017	319,340
AUTOMATION - Salaries and fringe benefits	-	-	26,359
- Equipment lease	-	-	6,862
- Supplies	-	-	765
- Other expenses	-	149	685
	-	149	34,671
TOTAL EXPENDITURE	337,558	353,166	354,011
EXCESS OF REVENUE OVER EXPENDITURES (Expenditures over revenue)	3,131	8,057	(18,255)
FUND BALANCES - BEGINNING OF THE YEAR	(3,131)	(3,131)	15,124
FUND BALANCES - END OF THE YEAR	-	4,926	(3,131)

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

RESERVES AND RESERVE FUNDS

STATEMENT OF CONTINUITY AND ANALYSIS OF YEAR-END POSITION

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
AVAILABLE AT THE BEGINNING OF THE YEAR FOR FUTURE BOARD PURPOSES	72,874	63,516
REVENUE		
Donations	2,945	2,211
Interest earned	6,125	7,147
	9,070	9,358
EXPENDITURES		
Memorial fund	66	-
NET INCREASE FOR THE YEAR	9,004	9,358
AVAILABLE AT THE END OF THE YEAR FOR FUTURE BOARD PURPOSES	81,878	72,874
ANALYSIS OF YEAR-END POSITION		
Capital expenditure fund - Note 4 (a)	75,911	69,969
Memorial fund	3,144	2,905
Feasibility study fund - Note 4 (b)	2,823	-
YEAR-END POSITION OF RESERVES AND RESERVE FUNDS	81,878	72,874

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The financial statements of the Trenton Memorial Public Library Board are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

Basis of Accounting (accrual)

(a) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long-term liabilities which are charged against operations in the periods in which they are paid.

(b) The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

(c) Fixed Assets

The historical cost and accumulated depreciation of fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Operations in the year of acquisition.

(d) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years," which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the "Balance Sheet."

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

2. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Board's employment.

The liability for these accumulated days, to the extent that they have vested and can still be taken in cash by employees on terminating amounted to $15,283 at the end of the year. An amount of $13,014 has been provided for this past-service liability.

Employees are now participating in a disability income plan.

As a result, the accumulated sick leave benefits related to these employees are being paid out over the next two years.

3. CONTRIBUTIONS TO RESERVE FUNDS

Interest income and donations amounted to $9,070 which was credited directly to reserve funds without being recorded as revenue of the revenue fund.

	Interest	Donations
	$	$
Capital expenditure fund	5,942	-
Reid memorial fund	180	125
Feasibility study fund	3	2,820
	6,125	2,945
		$ 9,070

CITY OF TRENTON

TRENTON MEMORIAL PUBLIC LIBRARY BOARD

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

4. COMMITMENTS

(a) Automation Project - Hastinet

The Trenton Memorial Public Library Board and the Belleville Public Library Board have agreed to a joint library automation preparation project, which is called Hastinet. The project involves automating the two libraries' circulation systems.

The estimated cost of equipment, materials and labour for this automation is $500,000 of which $211,000 has been funded by a government grant which has been received.

The Trenton Memorial Library Board's 32% share of the difference will be funded from the capital expenditure reserve fund and from other grants received and anticipated.

Both member libraries shall enter into a separate "User" contract regarding use of and access to the central control system to be maintained at the Belleville Public Library. A user service charge shall be set regularly by the Hastinet Board.

The completion date of the automation project is uncertain due to the financial problems of the present proposed computer supplier.

(b) Feasibility Study

The Trenton Memorial Public Library Board is currently considering expanding its facilities. A feasibility study will be conducted in 1987 to determine the most preferable method of expansion. Financial assistance and grants have been requested to finance the study.

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Downtown Business Improvement
Area Board of Management

We have prepared the balance sheet of the Trenton Downtown Business Improvement Area Board of Management as at December 31, 1986, and the statement of revenue and expenditure and area ratepayers' surplus (deficit) for the year then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Trenton Downtown Business Improvement Area Board of Management as at December 31, 1986, and the results of its operations for the year ended in accordance with the accounting principals in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Canada
February 16, 1987

CITY OF TRENTON

TRENTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS

	1986 $	1985 $
UNRESTRICTED		
Cash	100	100
Accounts receivable - City of Trenton	7,876	-
Prepaid expenses	190	190
	8,166	290

LIABILITIES

Accounts payable - City of Trenton	-	314
AREA RATEPAYERS' INVESTMENTS		
SURPLUS (DEFICIT)	8,166	(24)
	8,166	290

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON
TRENTON DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT
STATEMENT OF REVENUE AND EXPENDITURE AND AREA RATEPAYERS' SURPLUS
FOR THE YEAR ENDED DECEMBER 31, 1986

	Budget 1986 $	Actual 1986 $	Actual 1985 $
REVENUE			
Corporation of the City of Trenton	70,290	70,290	70,290
Interest	-	500	194
Other income	-	1,918	-
	70,290	72,708	70,484
EXPENDITURE			
Advertising			
Autumn Promotion	-	-	2,019
Christmas Promotion	14,000	13,853	14,691
Fishing Derby	300	300	378
General	7,000	9,109	5,271
Santa Claus Parade and Display	500	500	500
Sidewalk Sale	4,500	3,008	4,162
Decorative lighting - Christmas and Fascia	9,400	5,249	8,572
Front and Division Street improvements	-	205	2,148
Elgin and Balsam Street improvements	3,000	1,447	-
Quinte Street improvements	3,000	3,327	5,141
Flowers and maintenance	8,000	10,067	7,000
General improvements	1,500	662	1,918
Memberships	250	250	250
Miscellaneous	440	639	553
Purchase of office equipment	1,000	437	3,065
Office supplies	900	1,172	839
Professional fees	1,000	715	915
Rent and utilities	1,200	646	1,050
Rent - Muzak	1,000	1,167	666
Telephone	300	440	221
Travel and conferences	1,000	647	374
Wages	12,000	10,678	6,325
	70,290	64,518	66,058
EXCESS OF REVENUE OVER EXPENDITURE (EXPENDITURE OVER REVENUE) FOR THE YEAR	-	8,190	4,426
SURPLUS (DEFICIT) - BEGINNING OF YEAR	(24)	(24)	(4,450)
SURPLUS (DEFICIT) - END OF YEAR	(24)	8,166	(24)

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

DOWNTOWN BUSINESS IMPROVEMENT AREA BOARD OF MANAGEMENT

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The financial statements of the Downtown Business Improvement Area Board of Management are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Accounting (accrual)

Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long-term liabilities which are charged against operations in the periods in which they are paid.

The accrual basis of accounting recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

Fixed Assets

The historical costs and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Revenue and Expenditure in the year of acquisition.

2. AUTHORIZATION

The Board was authorized pursuant to By-law 76-3265 of the Corporation of the City of Trenton wherein power was entrusted to it for the improvement, beautification and maintenance of the Area and the promotion of the Area as a business and shopping area.

3. TAX ASSESSMENT

Revenue is received through the Corporation of the City of Trenton by an additional assessment, as authorized by Council on the businesses in the designated Improvement Area.

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Chairman and Members of the
Trenton Parking Authority

We have examined the balance sheet of the Trenton Parking Authority as at December 31, 1986, and the statements of current operations, capital operations and continuity of reserves for the year then ended. Our examination was made in accordance with generally auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Authority as at December 31, 1986, and the results of its operations for the year then ended in accordance with the accounting principles disclosed in note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Wilkinson & Company
Chartered Accountants

Trenton, Canada
February 12, 1987

CITY OF TRENTON

TRENTON PARKING AUTHORITY

BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS

	1986 $	1985 $
UNRESTRICTED		
Due from City of Trenton	-	3,218
Investments - at cost (approximate market value $9,700), $10,000 - 6% Hydro Electric Power Commission of Ontario Bonds, due July 5, 1988	9,861	9,861
	9,861	13,079
CAPITAL OUTLAY FINANCED BY LONG-TERM LIABILITIES AND TO BE RECOVERED IN FUTURE YEARS - Note 1(a)	155,656	165,000
	165,517	178,079

LIABILITIES

DUE TO THE CITY OF TRENTON	9,708	-
LONG-TERM LIABILITIES - Note 2	155,656	165,000
CAPITAL OUTLAY NOT YET FINANCED - Note 3	(17,256)	-
UNAPPLIED REVENUE	17,409	13,079
	165,517	178,079

CONTINGENCY - Note 4

APPROVED ON BEHALF OF THE BOARD

_____
Member

_____
Member

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON
TRENTON PARKING AUTHORITY
STATEMENT OF CURRENT OPERATIONS
FOR THE YEAR ENDED DECEMBER 31, 1986

	Budget $	1986 $	1985 $
REVENUE			
Parking meter collections			
Streets and parking lots	132,000	123,724	89,272
Docks	3,000	2,521	2,087
Fines	50,000	43,192	40,656
Permits	7,000	6,566	4,894
Investment income	2,000	1,225	8,148
Rental income	1,500	1,150	1,302
Appropriation from reserves			
- Land acquisitions	-	-	69,000
- Meter replacement	-	-	71,697
	195,500	178,378	287,056
EXPENDITURE			
Debt charges - principal	9,344	9,344	4,000
- interest	19,113	19,113	6,618
Administration	13,157	6,829	8,544
Appropriation to capital operations	25,000	28,340	143,959
Clothing	1,900	2,497	172
Convention and courses	5,000	1,948	4,406
Employees' benefits	5,820	5,033	5,131
Lights	4,500	4,612	4,256
Repairs and maintenance - heads and posts	15,000	8,136	12,172
- lots	20,000	10,337	26,980
Salaries	38,664	39,110	37,790
Supplies and other expenses	1,000	812	896
Taxes	32,556	32,937	29,794
Contingency - Note 4	4,000	5,000	-
	195,054	174,048	284,718
EXCESS OF REVENUE OVER EXPENDITURE	446	4,330	2,338
UNAPPLIED REVENUE - BEGINNING OF YEAR	13,079	13,079	10,741
UNAPPLIED REVENUE - END OF YEAR	13,525	17,409	13,079

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

STATEMENT OF CAPITAL OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 Actual $	1985 Actual $
SOURCE OF FUNDS		
Long-term liabilities incurred	-	110,000
Appropriations from current operations	28,340	143,959
	28,340	253,959
CAPITAL EXPENDITURES	45,596	253,959
CAPITAL OPERATIONS NOT YET FINANCED - Note 3	17,256	-

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

STATEMENT OF CONTINUITY OF RESERVES

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
BALANCE AT BEGINNING OF THE YEAR	-	140,697
EXPENDITURES		
Appropriation to current operations		
Land acquisition	-	69,000
Meter replacement	-	71,697
	-	140,697
	-	-

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. ACCOUNTING POLICIES

The financial statement of the Authority are the representation of management prepared in accordance with accounting policies prescribed for Ontario municipalities by the Ministry of Municipal Affairs. Since precise determination of many assets and liabilities is dependent upon future events, the preparation of periodic financial statements necessarily involves the use of estimates and approximations. These have been made using careful judgments.

(a) Basis of Accounting (accrual)

i) Sources of financing and expenditures are reported on the accrual basis of accounting with the exception of principal charges on long-term liabilities which are charged against operations in the periods in which they are paid.

ii) The accrual basis of accounting recognize revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

iii) Fixed Assets

The historical cost and accumulated depreciation for fixed assets are not recorded for municipal purposes. Fixed assets are reported as an expenditure on the Statement of Operations in the year of acquisition.

iv) Capital Outlay to be Recovered in Future Years

"Capital outlay to be recovered in future years," which represents the outstanding principal portion of unmatured long-term liabilities for municipal expenditures or capital funds transferred to other organizations, is reported on the Balance Sheet.

2. LONG-TERM LIABILITIES

The City of Trenton issued a debenture in 1975 on behalf of the Parking Authority. The debenture was in the amount of $75,000, matures in 1995, and bears interest as follows:

Years 1 - 5 10-3/8%
Years 6 - 10 10-3/4%
Years 11 - 20 11-1/4%

CITY OF TRENTON

TRENTON PARKING AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

2. LONG-TERM LIABILITIES (Cont'd)

	1986 $	1985 $
Total amount outstanding	53,000	55,000
The City of Trenton acquired a ten-year bank loan in 1985 on behalf of the Parking Authority for land acquisition. This bank loan was in the amount of $110,000, maturing in 1996, and bears interest at 11-3/4% for the first five years. Blended annual payments are $19,269.		
Total amount outstanding	103,656	110,000
	156,656	165,000

Total debt charges for the next five years on the existing long-term debts are as follows:

	Principal $	Interest $	Total $
1987	11,090	18,030	29,120
1988	11,923	16,746	28,669
1989	12,854	15,366	28,220
1990	14,894	13,875	28,769
1991	16,057	12,151	28,208
	66,818	76,168	142,986

3. CAPITAL OUTLAY NOT YET FINANCED

In 1986, the Authority expended $42,256 for the conversion of parking meters. Of this amount, $25,000 was funded from current operations in 1986. The balance of $17,256 is reflected on the balance sheet as "Capital Operations Not Yet Financed" and will be funded from current operations in 1987.

4. CONTINGENT LIABILITY

A former employee brought suit against the Parking Authority for wrongful dismissal. A payment has been made in the amount of $5,000, which the Authority considers adequate compensation for damages. No further liability is anticipated and no additional amounts have been provided for in these financial statements.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1986

NAME AND ADDRESS OF WATERWORKS	Filtration Plant, Chester Road, Trenton, Ontario
NAME, TITLE AND MAILING ADDRESS	Trenton Public Utilities, 50 Elgin Street P.O. Box 487 Trenton, Ontario, K8V 5R6
SENIOR ELECTED OFFICIAL	J. A. Robertson, Chairman
MANAGEMENT OFFICIAL	D. E. Manlow, Manager
CHIEF FINANCIAL OFFICER	D. E. Manlow, Secretary-Treasurer

QUALITY ACHIEVED

Characteristics	Average raw water values	No. of Samples	Average treated water value	No. of Samples
Hardness	126 mg/l	8	114 mg/l	8
Iron	.20 mg/l	8	.05 mg/l	8
Chloride	8.0 mg/l	8	.12 mg/l	8
Colour	20 Hazen Units	8	5 Hazen Units	8
Turbidity	2.0 FTU or JTU	8	0.24 FTU or JTU	8
Total coliform organisms	44 per 100 ml	64	0 per 100 ml	64

TREATMENT PROVIDED

Chlorination
Coagulation
Flucculation
Settling
Filtration
Taste and odour control

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986	1985
POPULATION OF THE MUNICIPALITY	15,311	15,088
ESTIMATED POPULATION SERVED	99.5%	99.5%
OTHER MUNICIPALITIES SUPPLIED	Canadian Forces Base, Trenton	Canadian Forces Base, Trenton
AREA OF MUNICIPALITY	3,516 acres	3,516 acres
AREA SERVICED	2,906.5 acres	2,906.5 acres
SOURCE OF SUPPLY	Springs, wells and surface	Springs, wells and surface
MILES OF MAINS:		
Under 6"	5.7	5.8
6"	24.9	24.9
8" to 10"	11.2	11.0
12" to 16"	14.2	13.9
Over 16"	1.1	1.1
ANNUAL QUANTITY OF WATER DISTRIBUTED (Thousands of Gallons)	1,159,552	1,251,607
STORAGE CAPACITY - PURE - 1,250,000; RAW - 100,000,000		
PEAKLOAD		
Maximum month	101,900	98,505
Average month	96,629	104,300
Maximum day	4,744	4,820
Average day	3,176	3,429
USAGE		
Number of customers		
- residential	4,607	4,545
- non-residential	527	504

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATISTICS

(UNAUDITED)

FOR THE YEAR ENDED DECEMBER 31, 1986

PERCENTAGE OF WATER USE	1986	1985
Residential	43%	45%
Non-residential	57%	55%

WATER RATES

Metered	
Residential) Up to 3/4" meters	Minimum $6.75 per month
Commercial)	$.760 per 100 cu. ft. 1st block of 10,000 cu. ft.
	$.570 per 100 cu. ft. for balance
	$3.85 service charge
	Service charge for service over 3/4" will be based on current demand factor table
Flat rates	
Net minimum connection, single tap	$13.35 per month
Each additional flush, bath basin	$ 1.30 per month
Other charges	
Tapping	3/4" = $50.00
Tapping	1" to 2" = $75.00
Main	Above = $150.00

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Commissioners, Members of Council,
Inhabitants and Ratepayers of the
Corporation of The City of Trenton

We have examined the balance sheet of The Trenton Public Utilities Commission - Water Supply System of The Corporation of the City of Trenton as at December 31, 1986, and the statement of revenue and expenditure for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Trenton Public Utilities Commission - Water Supply System of The Corporation of The City of Trenton as at December 31, 1986, and the results of its operations for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Trenton, Canada
April 23, 1987

Wilkinson & Company
Chartered Accountants

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS

	1986 $	1985 $
CURRENT ASSETS		
Cash	365,641	288,678
Short-term investment	599,719	349,122
Accounts receivable		
- Sundry	48,400	25,697
- Electric Department	145,131	130,084
Unbilled revenue	153,792	139,991
Inventories - at average cost	37,400	39,021
	1,350,083	972,593
CAPITAL OUTLAY TO BE RECOVERED IN FUTURE YEARS		
From waterworks revenues	502,000	532,000
	1,852,083	1,504,593

LIABILITIES

CURRENT LIABILITIES		
Accounts payable - trade	79,123	20,093
- accumulated sick leave	34,789	49,954
Payable to own municipality	125,634	71,640
	239,546	141,687
LONG-TERM DEBT FINANCED BY THE MUNICIPALITY	502,000	532 000
ACCUMULATED NET REVENUE	1,110,537	830,906
	1,852,083	1,504,593

APPROVED ON BEHALF OF THE COMMISSION

_____
Commissioner

_____
Commissioner

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
ACCUMULATED NET REVENUE AT THE BEGINNING OF THE YEAR	830,906	434,498
EXPENDITURE		
Operations		
Water supply	313,762	316,120
Power and pumping	126,688	104,941
Water transmission and distribution	199,758	159,061
Administration	313,234	272,423
TOTAL OPERATING EXPENDITURE	953,442	852,545
Principal payments and interest charges on long-term debt and advances	86,663	84,210
Capital expenditure out of current revenue	320,972	146,966
Settlements of labour and impost disputes	-	-
TOTAL EXPENDITURE	1,361,077	1,083,721
REVENUE		
Sale of water	1,350,659	1,261,333
Fire protection	100,989	98,758
Other revenue	189,060	120,038
TOTAL REVENUE	1,640,708	1,480,129
ACCUMULATED NET REVENUE AT THE END OF THE YEAR	1,110,537	830,906

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Those accounting policies deemed to be significant are as follows:

(a) Fixed Assets

No value is attached to fixed assets for Water Supply System reporting purposes. Expenditures on fixed assets are charged against current revenues unless the expenditures are financed out of long-term debt. Debt retirement costs are charged against current revenues in the periods in which they are paid.

(b) Charges for Net Long-Term Liabilities

Charges for net long-term liabilities include principal and interest. Interest charges are not accrued for the period from the date of the latest interest payment to the end of the fiscal year. Total principal and interest for net long-term liabilities in the year were as follows:

	1986 $	1985 $
Principal payments	30,000	25,000
Interest on debentures	56,663	59,210
	86,663	84,210

(c) Revenue Recognition

Revenue from the sale of water is recognized at the time services are rendered to customers.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986

2. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Utility's employment.

Employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits of $154,906 are being paid out over a period of five years beginning in 1986.

An amount of $38,955 has been provided for the sick leave liability and a provision of $30,278 has been made for sick leave credits accumulated in 1986 (1985 - $3,016).

3. NET LONG-TERM LIABILITY REPAYMENTS

Future required payments on debenture debt are as follows:

Per City Debentures	Principal $	Interest $	Total $
1987	32,000	53,510	85,510
1988	36,000	50,093	86,093
1989	40,000	46,217	86,217
1990	46,000	41,910	87,910
1991	49,000	36,963	85,965
Thereafter to 1997	299,000	95,534	394,532
	502,000	324,227	826,227

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

NOTES TO FINANCIAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 1986

4. TRANSFER OF WATER SUPPLY SYSTEM EXCESS OF RECEIPTS OVER EXPENDITURES TO CORPORATION

Section 35 of The Public Utilities Act provides that a water supply system operated by a Public Utilities Commission, shall pay over to the Treasurer of the municipality the excess of receipts over expenditures incurred for the maintenance and operation of the Utility. No such transfer was made with respect to the calendar year ended December 31, 1986, although an accumulated amount of $1,110,537 was available.

CITY OF TRENTON

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TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

ANALYSIS OF REVENUE

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
SALE OF WATER		
Residential	547,669	521,428
Non-residential	802,990	739,905
	1,350,659	1,261,333
FIRE PROTECTION		
Own municipality	100,989	98,758
OTHER REVENUE		
Installation and service charges	71,660	18,020
Forfeited discounts and penalties	8,743	8,070
Miscellaneous	94,984	68,273
Impost fees	13,673	25,675
	189,060	120,038
TOTAL REVENUE	1,640,708	1,480,129

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

WATER SUPPLY SYSTEM

ANALYSIS OF EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
WATER SUPPLY	313,762	316,120
POWER AND PUMPING	126,688	104,941
WATER TRANSMISSION AND DISTRIBUTION		
Mains	166,043	139,274
Meters	25,047	15,010
Hydrants	8,668	4,777
	199,758	159,061
ADMINISTRATIVE		
General administration	180,938	141,749
Billing and data processing	90,729	93,868
Consumer premises expenses	41,567	36,806
	313,234	272,423
TOTAL OPERATING EXPENDITURE	953,442	852,545
OTHER EXPENDITURE		
Principal payments on long-term debt	30,000	25,000
Interest charges on long-term debt	56,663	59,210
Principal payment on advances	-	-
	86,663	84,210
Capital expenditure out of current revenue	320,972	146,966
TOTAL EXPENDITURE	1,361,077	1,083,721

The accompanying notes form an integral part of these financial statements

WILKINSON & COMPANY
CHARTERED ACCOUNTANTS

AUDITORS' REPORT

To the Commissioners, Members of Council,
Inhabitants and Ratepayers of
The Corporation of The City of Trenton

We have examined the balance sheet of The Trenton Public Utilities Commission - Hydro-Electric System of The Corporation of The City of Trenton as at December 31, 1986, and the statements of revenue and expenditure and changes in financial position for the year then ended. Our examination was made in accordance with generally accepted auditing standards and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of The Trenton Public Utilities Commission - Hydro-Electric System of The Corporation of The City of Trenton as at December 31, 1986, and the results of its operations for the year then ended in accordance with accounting principles disclosed in Note 1 to the financial statements applied on a basis consistent with that of the preceding year.

Trenton, Canada
April 23, 1987

Wilkinson & Company
Chartered Accountants

CITY OF TRENTON
TRENTON PUBLIC UTILITIES COMMISSION
HYDRO-ELECTRIC SYSTEM
BALANCE SHEET AS AT DECEMBER 31, 1986

ASSETS	1986 $	1985 $
CURRENT		
Cash	335,424	482,333
Short-term investment	999,122	799,089
Accounts receivable	165,595	122,231
Accrued interest receivable	12,115	974
Due from City of Trenton	44,880	30,813
Unbilled revenue	1,551,386	1,363,976
Inventories - Note 1(a)	318,466	352,455
	3,426,988	3,151,871
FIXED		
Land	146,429	146,285
Buildings, plant and equipment	7,105,915	6,519,306
Construction in progress - Note 4	48,337	-
	7,300,681	6,665,591
Less: accumulated depreciation	2,821,491	2,564,533
	4,479,190	4,101,058
OTHER		
Equity in Hydro-Electric Power Commission of Ontario	5,650,005	5,137,523
Deferred charges	659	697
	5,650,664	5,138,220
APPROVED ON BEHALF OF THE COMMISSION		
Commissioner		
Commissioner		
	13,556,842	12,391,149

LIABILITIES	1986 $	1985 $
CURRENT		
Accounts payable	1,145,709	995,992
Other -		
Due to - Water Department	145,131	130,084
Customers' deposits	157,536	136,110
Current portion of accrued sick leave	35,360	32,803
	1,483,736	1,294,989
LONG-TERM		
Accrued sick leave	122,693	143,653
Less: current portion included above	35,360	32,803
	87,333	110,850
DEFERRED CREDIT		
Contributions in aid of construction - Note 6	597,945	519,470
Less: accumulated amortization on contributions	(72,882)	(52,365)
	525,063	467,105
TOTAL LIABILITIES	2,096,132	1,872,944
RESERVES		
Equity in Hydro Electric Power Commission of Ontario	5,650,005	5,137,523
ACCUMULATED NET REVENUE	5,810,705	5,380,682
	13,556,842	12,391,149

The accompanying notes form an
integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

STATEMENT OF REVENUE AND EXPENDITURE

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
ACCUMULATED NET REVENUE AT THE BEGINNING OF THE YEAR - Note 7	5,380,682	5,043,389
REVENUE		
Sale of Energy		
Residential	2,977,007	2,798,984
General service	5,115,891	4,651,230
Large user	2,917,324	1,976,002
Street lighting	82,122	78,528
	11,092,344	9,504,744
Other income - Note 2	272,730	258,743
TOTAL REVENUE	11,365,074	9,763,487
EXPENDITURE		
Energy cost	10,104,176	8,691,012
Operation maintenance	263,020	209,409
Administration	266,459	246,181
Depreciation - Note 1 (b)	237,889	216,978
Other - Note 3	63,507	62,614
TOTAL EXPENDITURE	10,935,051	9,426,194
EXCESS OF REVENUE OVER EXPENDITURE	430,023	337,293
ACCUMULATED NET REVENUE AT THE END OF THE YEAR	5,810,705	5,380,682

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

STATEMENT OF CHANGES IN FINANCIAL POSITION

FOR THE YEAR ENDED DECEMBER 31, 1986

	1986 $	1985 $
OPERATING ACTIVITIES		
Excess of revenue over expenditure for the year	430,023	337,293
Adjustment for items which do not affect cash -		
Depreciation	258,158	248,034
Amortization of deferred credit	(20,518)	(17,379)
Amortization of deferred charges	508	1,977
	668,171	569,925
Net change in non-cash working capital balances related to operations - Note 7	(235,836)	43,855
INCREASE (DECREASE) IN ACCRUED SICK LEAVE	(20,960)	(984)
	411,375	612,796
INVESTING ACTIVITIES		
Investment in fixed assets	(636,289)	(623,755)
Investment in deferred charges	(470)	-
	(636,759)	(623,755)
FINANCING ACTIVITIES		
Contributions in aid of construction	78,475	143,344
NET INCREASE (DECREASE) IN CASH AND EQUIVALENTS FOR YEAR	(146,909)	132,385
CASH AND EQUIVALENTS - BEGINNING OF YEAR	482,333	349,948
CASH AND EQUIVALENTS - END OF YEAR	335,424	482,333

The accompanying notes form an integral part of these financial statements

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986 P-4

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with accounting principles for municipal electrical utilities in Ontario as required by Ontario Hydro under the authority of Section 97 of The Power Corporation Act and reflect the following policies as set forth in the manual "Accounting for Municipal Electrical Utilities in Ontario".

Those accounting policies deemed to be significant are as follows:

(a) Inventories of Supplies

Inventories of supplies amounting to $318,466 (1985 - $352,455) are included in current assets and are reflected on an average cost basis.

(b) Fixed Assets

The Electric Utility combines the use of fund accounting and depreciation accounting which is unique to their industry.

The records of the Hydro-Electric Utility are under the direct supervision of the municipal accountant from the Hydro-Electric Power Commission of Ontario, who is responsible for expense distribution, reconciling power purchased with power sold and compliance with capital expenditure budgets.

The rates and formulas in use to calculate depreciation are established by H.E.P.C.

Total depreciation charged to expenditure in the year is as follows:

	1986 $	1985 $
Total Depreciation	258,158	248,034
Less: Depreciation on rolling stock and miscellaneous equipment allocated to other expenditures	20,269	31,056
	237,889	216,978

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1986 P-4

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

(c) Revenue Recognition

(i) In accordance with accounting policies determined for Ontario Municipal Electric Utilities by The Hydro-Electric Power Commission of Ontario, revenue from the sale of electrical energy by this utility is recognized at the time energy is consumed by customers.

(ii) Funds received as capital contributions from subdividers, builders and government agencies are credited directly to the account contributions in aid of construction. The amortization for the year is reflected as income as shown in Note 2 and explained in Note 6.

2. OTHER INCOME

	1986 $	1985 $
Customers' late payment penalties	34,971	32,279
Servicing of customers' installations	5,885	5,882
Profit on sundry sales	1,092	2,083
Other		
Dusk to dawn rental	1,883	1,998
Office rental	36,322	34,018
Miscellaneous	20,629	20,442
Interest income	123,254	114,614
Sewer service rate collection	28,176	30,048
Amortization of contributions in aid of construction	20,518	17,379
	272,730	258,743

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985 P-4

3. OTHER EXPENDITURE EXCLUSIVE OF DEPRECIATION

	1986 $	1985 $
Buildings, operation and maintenance	39,430	39,186
Promotion of business	775	613
Dusk to dawn lighting	408	2,157
Servicing customers' installations	17,802	16,644
Interest	5,092	4,014
	63,507	62,614

4. CONSTRUCTION IN PROGRESS

The account includes the costs of construction projects currently in progress but not yet completed. It includes labour with payroll burden, material, trucking and other expenses directly identifiable with the asset being constructed and also includes the cost of any item purchased for a specifically identifiable future capital project. Once the project has reached completion and is placed in service, the cost is transferred to the appropriate fixed asset account.

5. LIABILITY FOR VESTED SICK LEAVE BENEFITS

Under the former sick leave benefit plan, unused sick leave could accumulate and employees could become entitled to a cash payment when they left the Utility's employment.

The employees are now participating in a disability income plan. As a result of this, the accumulated sick leave benefits related to these employees are being paid out over a period of five years commencing in 1986.

The liability for these accumulated days, to the extent that they have vested and could be taken in cash by employees on terminating, amounted to $152,726 at the end of the year $122,693 ($143,653 in 1985) has been provided for in the accounts.

CITY OF TRENTON

TRENTON PUBLIC UTILITIES COMMISSION

HYDRO-ELECTRIC SYSTEM

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 1985 P-4

6. CONTRIBUTIONS IN AID OF CONSTRUCTION AFTER JANUARY 1, 1980

The account includes the non-refundable required contributions for fixed assets. These contributions are amortized over the life of the related assets.

7. STATEMENT OF CHANGES IN FINANCIAL POSITION

Cash provided by (used in) non-cash working capital is compiled as follows:

	1986 $	1985 $
(INCREASE) DECREASE IN CURRENT ASSETS		
Short-term investment	(200,033)	(49,861)
Accounts receivable	(43,364)	53,241
Accrued interest receivable	(11,141)	8,863
Due from City of Trenton	(14,067)	(13,281)
Unbilled revenue	(187,410)	(208,606)
Inventories	33,989	(1,252)
	(422,026)	(210,896)
INCREASE (DECREASE) IN CURRENT LIABILITIES		
Accounts payable and accrued liabilities	149,717	205,050
Due to Water Department	15,047	32,861
Deferred income - customer's deposits	21,426	16,840
	186,190	254,751
NET CHANGE IN NON-CASH WORKING CAPITAL BALANCES RELATED TO OPERATIONS	(235,836)	43,855